

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 99-0601P

Adjusted Gross Income Tax
Fiscal Year 1998

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer filed its fiscal year ended March 31, 1998 return late and remitted tax due. Taxpayer made estimated tax payments but failed to make its final payment timely. The tax paid after the due date of the return amounted to \$10,662.00, or in excess of fifty percent of the total due. Taxpayer protested the penalty assessed for failure to timely remit the balance of tax due.

I. **Tax Administration** – Penalty

DISCUSSION

Taxpayer was assessed a negligence penalty for the late payment of tax due. Taxpayer also had underpayments of quarterly estimated tax. Taxpayer states that due to an incorrect formula in its estimated tax payment spreadsheet file, it incorrectly calculated all payments made to Indiana. Taxpayer further states it was unaware of the calculation error until the state return was calculated using the tax compliance software. It immediately corrected this calculation error, and therefore, requests a waiver of the penalty.

The Indiana Code and Regulations are clear regarding the payment of estimated income tax and

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remitting payments timely. Taxpayer has not provided reasonable cause to allow the department to waive the penalty. Calculation errors are not considered reasonable cause.

FINDING

Taxpayer's protest is denied.

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